

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----130113 251145Z /23

O 251045Z MAR 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC IMMEDIATE 3416  
INFO SECDEF WASHDC  
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CINCPACFLT PEARL HARBOR HI  
13TH AF CLARK AB  
CINCPACREPPHIL

S E C R E T SECTION 1 OF 3 MANILA 4728

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

E.O. 11652: GDS  
TAGS: MARR, RP  
SUBJECT: BASE DISCUSSIONS: MEETING WITH MARCOS MARCH 28

REFS: A) STATE 75549  
B) MANILA 4723  
C) MANILA 4725

1. I BELIEVE THAT THE PURPOSES CITED PARA 1 REFTEL A  
OF DEMONSTRATING DISAPPOINTMENT WITH GOP RESPONSE TO OUR  
OFFER, LIMITATIONS ON US, AND DESIRE TO REACH AGREEMENT  
WERE ACCOMPLISHED DURING MARCH 24 MEETING. SITUATION  
AS I SEE IT AT THIS TIME IS AS FOLLOWS:

A) GOP POSITION PRESENTED MARCH 21 IS A SETBACK FROM  
PROGRESS WE APPEARED TO BE MAKING IN PREVIOUS SESSIONS.

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NEVERTHELESS, IT REPRESENTS THE FIRST OFFICIAL STATEMENT  
OF PHILIPPINE POSITIONS SINCE 1976 AND OMITTS ROUGHLY  
HALF OF THE DEMANDS WE FOUND MOST UNACCEPTABLE TO US  
INCLUDING THE BUILDING-BY-BUILDING APPROACH TO GRANT  
OF FACILITIES; STRINGENT CONDITIONS ON TERMS OF USE;  
SPECIFICATION OF U.S. FORCE LEVELS, PROVISIONS FOR PHIL  
TAKEOVER OF FACILITIES; PROHIBITIONS ON NUCLEAR TRANSIT

AND STORAGE; LIMIT ON IMPORTATION OF HOUSEHOLD EFFECTS, TAXATION OF U.S. PERSONNEL, TERMINATION OF THE BASE LABOR AGREEMENT, DEMAND FOR RENT, LIMITATION TO FIVE YEAR TENURE, DEMANDS FOR AID IN THE CONVERSION OF FACILITIES, AND INSISTANCE ON A WRITTEN EMBELLISHMENT ON THE MUTUAL DEFENSE TREATY. HOWEVER, IT STILL FALLS FAR SHORT OF US MINIMUM REQUIREMENTS AND DOES NOT INDICATE SUFFICIENT MOVEMENT CONSISTANT WITH THE JANUARY UNDERSTANDINGS TO JUSTIFY ANY REFORMULATION OF US PROPOSALS.

B) MARCOS' CONDUCT DURING THE PRESENTATION OF THE AIDE MEMOIRE AND THE MARCH 24 MEETINGS INDICATES THAT HE IS LOOKING FOR A MEANS OF NARROWING THE GAP BETWEEN THE EXPRESSED VIEWS OF HIS ADVISORS AND REALITIES OF THE US SITUATION THAT WE HAVE CONVEYED TO HIM.

C) NEITHER THE AIDE MEMOIRE NOR MARCOS' SUBSEQUENT REMARKS PROVIDE SUFFICIENT BASIS FOR US TO IDENTIFY WHAT MARCOS CONSIDERS TO BE HIS ROCKBOTTOM DEMANDS. SINCE WE ARE UNABLE TO FRAME A MEANINGFUL RESPONSE TO WHAT WE HAVE BEEN PRESENTED AND SINCE WE BELIEVE, BASED ON PAST EXPERIENCE, THAT THE GOP IS NOT CAPABLE OF FURTHER REFINING ITS THOUGHTS, THE DANGER IS THAT CURRENT DISCUSSIONS WILL END WITH MY DEPARTURE WITHOUT LAYING THE GROUNDWORK FOR A PRODUCTIVE NEXT STEP IN  
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THE NEGOTIATING PROCESS.

2. PLANNING FURTHER FOR MY MEETING WITH MARCOS MARCH 28, I SUGGEST FOLLOWING TALKING POINTS (SUBJECT, OF COURSE, TO WHAT FURTHER THOUGHTS HE MAY HAVE AS A RESULT HIS MEETING WITH PANEL MARCH 27.)

3. BEGIN TALKING POINTS AS A RESULT OF RECENT DISCUSSIONS, WE FEEL GENUINE PROGRESS HAS BEEN MADE IN SEEKING TO RESOLVE ISSUES RELATING TO OUR MILITARY FACILITIES. THE POINTS HAS NOW BEEN REACHED, HOWEVER, WHERE TWO QUESTIONS ARE BEING ASKED, (A) IS IT POLITICALLY POSSIBLE FOR EACH COUNTRY TO REACH AGREEMENT ON THE BASIS NOW BEFORE US? (B) IF SO, HOW CAN THIS BE ACHIEVED WITHOUT FURTHER EXTENSIVE AND INCONCLUSIVE DISCUSSION?

4. THE UNITED STATES ON ITS PART UNDERSTANDS THE NEED TO MANIFEST PHILIPPINE SOVEREIGNTY AT THE BASES AND FEELS THAT IT HAS MADE MAJOR CONCESSIONS IN THAT DIRECTION, WHEN ONE KEEPS IN MIND THAT AN AGREEMENT EXISTS ON THE PRESENT BASIS THROUGH 1991. TO MEET

PHILIPPINE DESIRES, WE HAVE:

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TO SECSTATE WASHDC IMMEDIATE 3417  
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S E C R E T SECTION 2 OF 3 MANILA 4728

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

A. AGREED TO A BASIC PATTERN WHICH MAKES THE TNEIRE  
BASE AREAS PART OF A PHILIPPINE MILITARY BASE.

B. AGREED TO THE ESTABLISHMENT OF A PHILIPPINE BASE  
COMMANDER RECOGNIZING THAT THE UNITED STATES COMMANDER  
SHALL EXERCISE COMMAND CONTROL OVER U.S. PERSONNEL,  
EQUIPMENT, MATERIAL AND OPERATIONS, AND THAT THE  
UNITED STATES WILL BE ASSURED UNHAMPERED MILITARY  
OPERATIONS INVOLVING ITS OWN FORCES INCLUDING  
GUARANTEED FREE ACCESS AND EGRESS TO AND FROM U.S.  
FACILITIES.

C. AGREED TO THE RELINQUISHMENT, FROM U.S. CONTROL, OF  
SUBSTANTIAL ACREAGE, WATERSHEDS AND PORTIONS OF SUBIC  
BAY WATERS.

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D. ACCEPTED A FORMULA WHICH RECOGNIZES PHILIPPINE ADMINISTRATION SIDE BY SIDE WITH U.S. OPERATION AND CONTROL OVER ONE OF THE MOST VITAL PARTS OF THE BASE SYSTEM, THE CROW VALLEY RANGE.

5. THE UNITED STATES APPRECIATES THAT, ON ITS SIDE, THE PHILIPPINE GOVERNMENT HAS AGREED TO THE CONTINUATION OF U.S. FACILITIES UNDER CLEAR U.S. CONTROL, TO THE CONTINUATION OF THE AGREEMENT THROUGH 1991, AND TO THE PRINCIPLE THAT U.S. OPERATIONS WILL BE UNHAMPED.

6. IN PREVIOUS DISCUSSIONS, THE UNITED STATES HAS INDICATED ITS WILLINGNESS TO HAVE SENIOR NEGOTIATORS RETURN TO MANILA, BUT ONLY IF THERE IS THE GENUINE PROSPECT OF AN AGREEMENT. WE CONTINUE TO FEEL THAT TOO MANY CONSPICUOUS TRIPS WITHOUT RESULTS CAN ONLY ACCENTUATE THE FEELING WHICH THE PRESIDENT WISHES TO AVOID - THAT NO PROGRESS IS BEING MADE.

7. FOR US TO MAKE A MEANINGFUL REPLY TO RECENT PHILIPPINE POSITIONS AND FOR THESE NEGOTIATORS TO RETURN, WITH THE PROSPECT OF AGREEMENT, THE FOLLOWING GENERAL UNDERSTANDINGS WILL BE NECESSARY:

A. THAT THOSE ELEMENTS OF THE U.S. PROPOSAL NOT REFERRED TO IN THE PHILIPPINE AIDE MEMOIRE OF MARCH 21 ARE AGREED TO, INCLUDING, THE EXCHANGE OF NOTES ON VOA, THE DELINEATION OF SAN MIGUEL, THE FORMULA ON DURATION, AND THE DEMARCATION LINES ON THE MAPS OF CLARK AND SUBIC (EXCEPT FOR THE WATERS AND WATERSHED.)

B. THAT, UNDER WHATEVER FORMULA WHICH MAY BE ADOPTED,  
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THE U.S. WILL RETAIN EFFECTIVE CONTROL OVER THOSE WATERS OF SUBIC BAY, INCLUDING GRANDE ISLAND, AS DEPICTED ON THE MAP.

C. THAT THERE BE AN IRONCLAD JOINT ARRANGEMENT TO INSURE THE MAINTENANCE OF THE SUBIC BAY WATERSHED.

D. THAT UNITED STATES FORCES, UNDER WHATEVER FORMULA IS ADOPTED, WILL CONTINUE TO USE, OPERATE AND MAINTAIN ITS CURRENT BUILDINGS AND EQUIPMENT AT WALLACE.

E. THAT THERE BE JOINT AGREEMENT ON ALL POLICIES AND

DIRECTIVES ISSUED BY THE PHILIPPINE BASE COMMANDER  
IMPACTING ON THE U.S. FACILITIES INCLUDING U.S. FORCES  
AND ALL EMPLOYEES OF THE FACILITIES.

F. THAT THE QUESTION OF CRIMINAL JURISDICTION EITHER  
BE SET ASIDE OR THAT THE GOVERNMENT OF THE PHILIPPINES  
UNDERSTANDS THAT IF TAKEN UP NOW THE REQUIREMENT FOR  
MANIFESTATION OF PHILIPPINE SOVEREIGNTY MUST BE BALANCED  
BY AN ARRANGEMENT ALLOWING THE UNITED STATES TO MAKE  
THE FINAL DETERMINATION IN OFFICIAL DUTY CASES ALTHOUGH  
THIS LATTER ARRANGEMENT MAY BE EMBODIED IN A SEPARATE  
DOCUMENT. (COMMENT: REFERENCE TO SEPARATE DOCUMENT  
CONTINGENT UPON WASHINGTON GUIDANCE REQUESTED REF C)

G. THAT IF, NOW OR IN THE FUTURE, THE PHILIPPINE  
GOVERNMENT BELIEVES A COMPENSATION PACKAGE IS NECESSARY,  
ONLY THE GENERAL FORM AND LEVEL OF THE PRESENT U.S.  
PROPOSAL, WITH MINOR ADJUSTMENTS, COULD BE EXPECTED.

8. ON CAMP JOHN HAY, WHILE IT IS NOT INCLUDED IN THE  
ABOVE ESSENTIAL ELEMENTS, THE U.S. WISHES TO POINT OUT  
THAT ITS PROPOSAL CONTINUES, UNDER A PHILIPPINE BASE  
COMMANDER, THE WIDER AND HARMONIOUS PHILIPPINE USE OF  
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THIS FACILITY. THIS IS NOW BEING FURTHER ENHANCED BY  
THE REMOVAL OF PASS RESTRICTIONS AND BY THE OPENING OF  
RESORT HOUSING FACILITIES TO THE PHILIPPINE ARMED FORCES.  
IT REMAINS THE U.S. HOPE THAT, WITHIN THE AREA DESIGNATED

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S E C R E T SECTION 3 OF 3 MANILA 4728

EXDIS

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

ON OUR MAP, IT WILL STILL BE POSSIBLE TO FIND A FORMULA WHICH MEETS PHILIPPINE SOVEREIGNTY REQUIREMENTS BUT PERMITS THE CONTINUED USE OF APPROPRIATED U.S. FUNDS FOR THE UPKEEP OF THIS FACILITY.

9. WITH REGARD TO PHILIPPINE MILITARY EQUIPMENT REQUIREMENTS, THE U.S. WOULD BE PREPARED TO REEXAMINE THE RECOMMENDATIONS OF THE SURVEY TEAM FOR PARTICULARLY PRESSING REQUIREMENTS WHICH THE AFP MAY WANT TO INDICATE.

10. FOR SECURITY COSTS AT THE BASES, BOTH GOVERNMENTS SHOULD PREPARE ESTIMATES OF REQUIREMENT AND COSTS. EQUIPMENT COSTS MAY BE SUPPORTED THROUGH THE USE OF GRANT MAP. THE US IS PREPARED TO CONSIDER PAYING AN APPROPRIATE PART OF PERSONNEL COSTS.

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11. SEVERAL ITEMS SUCH AS PERMITS TO OPERATE COMMERCIAL ESTABLISHMENTS, AUTHORIZATION TO OPERATE MILITARY SERVICES, INCLUDING EXCHANGES, AND PERMISSION FOR CONSTRUCTION WERE NOT RAISED IN JANUARY BUT WERE INCLUDED IN THE AIDE MEMOIRE. THESE ARE ITEMS ALREADY COVERED IN THE EXISTING MILITARY BASES AGREEMENT WHICH WE HAD NOT CONTEMPLATED WOULD BE AMENDED. WE FEEL CONTINUED AUTHORITY OF THE US FACILITIES COMMANDER OVER THESE AREAS IS CONSISTENT WITH THE PRINCIPLE YOU HAVE AGREED TO THAT THE US ACTIVITIES IN THE FACILITIES WILL CONTINUE UNHAMPERED UNDER THE US FORCES COMMANDER.

12. FINALLY, THE UNITED STATES APPRECIATES THE PERSONAL ROLE WHICH THE PRESIDENT HAS TAKEN IN SEEKING TO REACH AGREEMENT. IT IS HOPED THAT, IF THE FOREGOING UNDERSTANDINGS ARE REACHED THAT, AS THE DETAILS ARE WORKED OUT BETWEEN THE DIPLOMATIC AND MILITARY REPRESENTATIVES OF THE TWO COUNTRIES, THE PRESIDENT WILL CONTINUE TO BE AVAILABLE TO U.S. REPRESENTATIVES IN THE EVENT OF

ANY DIFFERENCES ARISING OVER THE INTERPRETATION OF  
THESE UNDERSTANDINGS.  
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## Message Attributes

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